

ATTACHMENT C

DESCRIPTION AND JUSTIFICATION FOR PROPOSED AMENDMENTS TO REGULATIONS 22 & 26C

Note: Page numbers refer to pages in the 8/4/05 draft where Regulations 22 & 26C are presented (Attachments A & B, respectively). Regulation citations refer to the paragraph numbering, **as revised**, unless otherwise indicated.

REGULATION 22

22.010(1) [page 1] - Defines “account wagering system” as “a system of wagering using telephone, computer or other method of wagering communication as approved by the (Board) Chairman, whose components shall be located in this State. The components shall include, but not be limited to, the hub facility, permanent information databases, system monitoring equipment, ticket writers, and patron service representatives.”

22.010(5) [page 1] - Revises the definition of (Board) “chairman” to be gender neutral. Several similar changes are proposed throughout Regulation 22.

22.010(7)&(8) [page 2] - Defines the terms “Group I licensee” and “Group II licensee” by referring to the same definitions that are set forth in Regulation 6.010. The terms are used later in Regulation 22 to distinguish between different requirements for Group I and Group II licensees.

22.010(16) [page 2] - Re-defines “race book” as “a business that accepts wagers on horse or other animal races.” The current definition of race book only refers to “other races” rather than “other animal races” as in the proposed definition. This definition will clarify that race books may only accept wagers on races involving animals (e.g., horse racing, greyhound racing and other types of animal racing approved by the chairman), and not on other types of racing such as NASCAR stock car racing.

22.010(18) [page 2] - Defines “secure personal identification” as “an encoded alpha-numeric character code or any other method of identifying the patron as approved by chairman through which the book may verify a wager or account transaction was authorized by the patron.” A secure personal identification serves the same function as a PIN number that is used to access a bank account.

22.010(19) [page 2] - The definition of “sports pool” is being revised to use the term “other animal races” similar to the definition of “race book”, above.

22.010(20) [page 2] - Defines “wagering account” as an electronic ledger and sets forth the types of transactions that are recorded in this electronic ledger.

22.020(3) [page 3] - With regard to the race and sports book licensing process, this amendment clarifies that only a Group I licensee must include an internal control system in an application. Group II licensees must adhere to the Race and Sports Internal Control Procedures issued pursuant to Regulation 6.100.

22.035(3) [page 3] - Eliminates the transition provision that was included in this subsection when first adopted, as the provision is no longer relevant.

22.040(6)(b) [page 4] - Eliminates an incorrect reference to Regulation 22.040(9).

22.040(7) [page 4] - The phrase “of his determination” is being changed to the gender-neutral phrase “of the determination”.

22.050(1) [page 5] - This regulation is being revised to reflect the fact that a betting ticket is not issued when an account wager is accepted.

22.060(1) [page 5] - This regulation describes what money, monetary equivalents, or credit a book may accept when a patron places a wager and includes “front money” as an acceptable method. This proposed amendment will replace the term “front money” with “wagering account credits as provided for in Regulation 22.160.” The proposed Regulation 22.160(1) sets forth the acceptable types of wagering account deposits, and front money is one of those types.

22.060(2) [page 5] - This amendment will clarify that a book can accept a wager placed in person at the book or via a wagering communication (e.g., telephone account wagers).

22.060(8) [page 5] - This subsection currently states that notification with regard to noncash wagers should be filed with the “board” whereas similar provisions in most regulations refer to the “chairman” (or designee). This amendment will eliminate that inconsistency. No change in procedures is contemplated.

22.061(5)(g) [page 6] - The reference to “safekeeping/front money accounts” is deleted as these types of accounts are now contemplated by the proposed definition of “wagering account” at Regulation 22.010(20).

22.065 [page 8] - This regulation is being amended to correct a typographical error and to change the phrase “of his decision” to the gender-neutral phrase “of the decision”.

22.080(4) [page 8] - This amendment will use the new term “other animal races” as previously noted in the definition of “race book” [Regulation 22.010(16)].

22.090(3)(c) [page 9] - Here, and elsewhere in the balance of Regulation 22, the term “bettor” has been replaced with the term “patron”. The use of “patron” is consistent with other regulations (e.g., Regulation 6A).

22.115 [page 9] - This amendment will eliminate the words “or his designee” from the phrase “the chairman or his designee”. Regulation 22.010(5) defines “chairman” as “the chairman of the state gaming control board or the chairman’s designee.”

22.120(1)(e) [page 10] - This amendment will include the phrase “greyhound race” as wagers on greyhound races may be accepted without obtaining approval from the chairman. Wagering on animal races other than horses or greyhounds are prohibited unless approved by the chairman.

22.125(3)(b)(4) [page 11] - This regulation is being amended to change the phrase “of his decision” to the gender-neutral phrase “of the decision”.

22.130(1) [page 11] - This subsection currently states that notification with regard to communications technology should be filed with the “board” whereas similar provisions in most regulations refer to the “chairman” (or his designee). This amendment will eliminate that inconsistency. No change in procedures is contemplated.

22.130(2) [page 11] - This proposed amendment requires an annual approval from the Board Chairman to accept wagers via any form of communications technology (telephone, closed-loop intranet, etc.). A provision very similar to this is at the current Regulation 22.140(2) but is being deleted there as Regulation 22.130 is a more appropriate section to discuss these annual approvals.

As a point of clarification, Regulation 22.130(1) addresses the installation of a particular communications technology. Regulation 22.130(2) requires the approval to use that communications technology to accept wagering communications on a year-to-year basis.

22.140(1), (2), (6), (6)(d)(3) and (6)(d)(4) [pages 12 & 13] - Currently, Regulation 22.140 discusses account wagering for pari-mutuel and nonpari-mutuel race and sports. These specific amendments will limit the scope of Regulation 22.140 to pari-mutuel sports wagers, and nonpari-mutuel race and sports wagers. Account wagering for pari-mutuel race wagers will be addressed in the proposed Regulation 26C.

22.140(3) [page 12] - These amendments recognize the fact that a Group II licensee must comply with the Regulation 6.100 Minimum Internal Control Procedures while a Group I licensee must comply with the Regulation 6.090 Minimum Internal Control Standards and the individual licensee’s written system of internal control.

22.140(5) [page 12] - This amendment incorporates the newly defined term “secure personal identification”.

22.140(6)(c)(3) [page 12] - This amendment will require a book to record a patron's gender when the patron opens a wagering account. The purpose of this addition relates to a situation in which a licensee was accepting an account wager from a person other than the patron who opened the account, a violation of Regulation 22.140(5). In this case, a husband illegally placed wagers on an account opened by his wife. At the time of accepting the wager, the writer did not have information that indicated the account holder was female. If the writer had this knowledge, the writer may not have violated regulations by accepting a wager from a male.

An amendment was also made requiring the licensee to obtain a social security number, for United States residents only. This information is needed in the completion of W2-G forms.

22.140(7) [page 13] - This amendment will emphasize the fact that a wagering communication with regard to pari-mutuel sports wagers and nonpari-mutuel race and sports wagers placed by a patron who is not a resident of Nevada, and who is using a temporary wagering account must originate within Nevada's borders. Additionally, clarification is provided as to when non-Nevada residents can establish permanent accounts under certain circumstances. The non-Nevada patron can establish a permanent account and, accordingly, does not have to renew the wagering account in person under the following scenarios:

- A non-Nevada resident has established a wagering account. The patron can only place account wagers in person (through a race/sports writer, kiosk, etc.) at the licensed gaming establishment where the account was established. The patron cannot use a cell phone or any other form of communications technology to place a wager.
- A non-Nevada resident has established a wagering account. The patron can place account wagers at another licensed gaming establishment by using a kiosk or other Board-approved device (which requires communications technology approval) specifically approved for such use. For example, a kiosk at one casino may be used by the patron to obtain access to the wagering account established at another casino.

22.140(8) [page 13] - Currently, this subsection describes what types of transactions must be recorded in a wagering account but is somewhat vague in that it refers to "each debit and credit to the account". The proposed amendment specifically lists what types of debits and credits must be recorded.

22.140(9) [page 13] - This amendment clarifies that the electronic recording of a wagering communication must be separate from the recording made by the computerized bookmaking system and that the Board Chairman must approve the method of recording. Examples of such "electronic recordings" are voice recordings for traditional telephone wagering and key stroke histories for PC-based wagering.

22.140(10) [page 13] - This proposal establishes wagering account application retention periods and is consistent with account wagering procedures in other states. The information required to be obtained pursuant to this regulation can be maintained in the form of an electronic data file or as a hard-copy document.

22.145 [pages 13 and 14] - This amendment establishes minimum technical standards for account wagering systems that are consistent with standards in other states.

22.147 [pages 14 and 15] - This amendment establishes account wagering rules that are consistent with rules in other states. As currently required by Regulation 22.140(4) a copy of the account wagering rules is to be furnished to the patron when establishing a wagering account. Compliance with this requirement for traditional telephone wagering is achieved simply by the writer answering any questions asked.

22.160 [page 15] - This amendment establishes what types, and for what reasons, a debit or credit may be made to a wagering account. Please note that this provision will allow a deposit to a wagering account to be made with a credit card. Placing wagers with a credit card is prohibited by NRS 463.3557 which states, "...an electronic transfer of money from a financial institution directly to a game or gaming device may not be made with a credit card." It is the Board's position that a credit card deposit to a wagering account is just that, a deposit. It is only after the deposit is made that a wager is made. Therefore, this draft regulation allows for credit card deposits.

Additionally, the amendment states that wagering account withdrawal transactions shall be completed by the book within five business days. This provision is consistent with those of other states.

Regulation 22.160(1)(c) will allow deposits to be made with credit instruments that are issued pursuant to Regulation 6.120 and in accordance with the Regulation 6.090 minimum internal control standards (Group I licensees) or the Regulation 6.100 internal control procedures (Group II licensees). This practice is currently allowed by Regulation 22.170. Note that the current Regulation 22.170 addresses specific procedures that must be included in the licensee's internal control system with regard to credit wagering. Regulation 22.170 is now obsolete as the applicable procedures are addressed in the Minimum Internal Control Standards or the Internal Control Procedures. As such, Regulation 22.170 is being deleted in its entirety.

Finally, Regulation 22.160(1)(g) will allow deposits to be made by "any other means approved by the (Board) chairman". This provision is to allow for any future technological advancements that are not contemplated by Regulation 22.160.

22.170 [pages 15 and 16] - As discussed immediately above, this section is being deleted.

REGULATION 26C

Regulation 26C was drafted to govern all off-track pari-mutuel horse race account wagering including the acceptance of pari-mutuel horse race account wagers placed from outside Nevada's borders. Although written to be a "stand alone" regulation, the provisions of Regulation 22 ("Race Books and Sports Pools"), Regulation 26A ("Off-Track Pari-Mutuel Wagering") and all other regulations of the Nevada Gaming Commission will apply to this activity when not in conflict with Regulation 26C.

The 2003 Nevada Legislature amended NRS 464.020 (via Senate Bill 3) to allow Nevada's race books to accept pari-mutuel race account wagers from patrons that are physically located outside Nevada's borders. That statutory amendment has prompted the drafting of the proposed Regulation 26C to regulate this activity.

Pari-mutuel horseracing wagering instructions may be received by Nevada-licensed race books from out-of-state patrons with previously established wagering accounts by telephones or other electronic media, provided that such wagering is legal in the transmission state.

The 2003 provisions in NRS 464.020 are bolded as follows:

NRS 464.020 Administration by Nevada Gaming Commission: Issuance of licenses; times and places for wagering; regulations; authority and procedure for appointing Off-Track Pari-Mutuel Wagering Committee; inspection of books and records of licensees.

1. The Nevada Gaming Commission is charged with the administration of this chapter for the protection of the public and in the public interest.
2. The Nevada Gaming Commission may issue licenses permitting the conduct of the pari-mutuel system of wagering, including off-track pari-mutuel wagering, and may adopt, amend and repeal regulations relating to the conduct of such wagering.
3. The wagering must be conducted only by the licensee at the times determined by the Nevada Gaming Commission and only:
 - (a) Within the enclosure wherein the race or other sporting event which is the subject of the wagering occurs; or
 - (b) Within a licensed gaming establishment which has been approved to conduct off-track pari-mutuel wagering.

→ This subsection does not prohibit a person licensed to accept, pursuant to regulations adopted by the Nevada Gaming Commission, off-track pari-mutuel wagers from accepting wagers made by wire communication from patrons within the State of Nevada, **from other states in which such wagering is legal or from places outside the United States in which such wagering is legal.**
4. The regulations of the Nevada Gaming Commission may include, without limitation:

- (a) Requiring fingerprinting of an applicant or licensee, or other method of identification.
- (b) Requiring information concerning an applicant's antecedents, habits and character.
- (c) Prescribing the method and form of application which any applicant for a license issued pursuant to this chapter must follow and complete before consideration of his application by the Nevada Gaming Commission.
- (d) Prescribing the permissible communications technology and requiring the implementation of border control technology that will ensure that a person cannot place a wager with a race book in this state from another state or another location where placing such a wager is illegal.**

26C.010(1) [page 1] - Defines "account wagering system" as "a system of wagering using telephone, computer or other method of wagering communication as approved by the (Board) Chairman, whose elements shall be located in this State. The elements shall include, but not be limited to, the systems operator, permanent information databases, system monitoring equipment, ticket writers, and patron service representatives."

26C.010(2) [page 1] - This amendment limits the meaning of "book" or "race book" in Regulation 26C to a pari-mutuel horse race book.

26C.010(3) [page 1] – Defines "call center system" as a computerized system, or a component of such a system, that is used to record and transmit pari-mutuel horse race wagering account instructions from a patron to a person licensed to accept off-track pari-mutuel horse wagers. The call center system is located within Nevada but off the premises of a licensed gaming establishment or any affiliated licensed gaming establishment. A call center system located on the premises of a licensed gaming establishment and used by that licensed gaming establishment or any affiliated licensed gaming establishment does not fall under this definition.

26C.010 (4) through (11) and (13) through (18) [pages 1 & 2] - The definitions of these terms are the same as those terms are defined in the proposed Regulation 22. As this Regulation 26C is designed to be a stand alone regulation, many of the definitions and sections found in Regulation 22 are repeated in Regulation 26C. This memorandum will refer back to Regulation 22 for those sections of Regulation 26C that are the same or substantially the same as Regulation 22.

26C.010 (12)[pages 1 & 2] - Defines "operator of a call center" as a person who, as an agent of a licensed Nevada pari-mutuel race book, engages in the business of operating a call center system. A Nevada pari-mutuel race book operating a call center on the premises of their gaming establishment or any affiliated licensed gaming establishment, with participation limited to affiliated licensed gaming establishments, is not an operator of a call center. However, if a licensed Nevada pari-mutuel race book operated a call center located on the premises of an unaffiliated gaming establishment, or accepted

wagering instructions on its premises from patrons of unaffiliated books, then in this scenario it would fall within the definition of an “operator of a call center”.

26C.020 through 26C.050 [pages 2 through 4] - These sections have the same meaning and will serve the same purpose as sections .020, .035 and, .040 of Regulation 22 regarding licensing, registration of employees and reserve requirements, respectively.

26C.030 [page 2] – This section requires the operator of a call center to be found suitable (finding of suitability) pursuant to chapters 463 and 464 of the Nevada Revised Statutes prior to the start of operations. The term “person” is defined in the Nevada Revised Statutes to cover all applicable individuals regardless of their relationship with the operator of a call center.

26C.040 [pages 2 & 3] – A manager or supervisor of an operator of a call center must register with the board similar to the manager or supervisor of a race book.

26C.045 [page 3] - This section clarifies that the employees of an operator of a call center fulfilling the function of receiving and transmitting wagering account instructions or any employee supervising this function is a gaming employee subject to the provisions of NRS 463.335 and 463.337 (i.e., must register as gaming employees).

26C.060 [page 4] - This amendment will require a book to create an electronic record of the terms of the wager in the computerized pari-mutuel race system upon acceptance of the wager. The same requirement is set forth in Regulation 22 (Regulation 22.050) however, in addition to the computerized record, Regulation 22.050 requires the system to produce a hard copy version of the ticket for the patron if the patron is placing a “non-account” wager. No hard copy version of a betting ticket is required for account wagering.

26C.070 (1) through (6) [page 5] - This proposed amendment has the same meaning and will serve the same purpose as does Regulation 22.060 (1), (2), (3), (5) and (6), respectively, regarding the acceptance of wagers. Section 6 was added to require the book to perform procedures to provide reasonable assurance when accepting wagering account instructions that the patron is within the borders of their state or foreign jurisdiction of residence; or another state or jurisdiction where pari-mutuel race wagering is legal. Reasonable assurance procedures can include an inquiry of the patron. The inquiry can be as simple as asking the patron if he/she is physically located in a jurisdiction which allows pari-mutuel race wagering. A recording of the inquiry process with the patron is to be retained for 60 days.

26C.071 & 26C.072 [page 5] - These sections have the same meaning and will serve the same purpose, as do Regulations 22.064 and 22.065 regarding currency transaction reporting.

26C.080 [page 5] - As stated earlier, Regulation 26A governs in-house pari-mutuel wagering. Proposed Regulation 26C.080 will refer to Regulation 26A.040 for guidance

with regard to the grading of tickets should the pari-mutuel wagering system cease functioning.

26C.090, 26C.100 & 26C.110 [page 5] - These sections have the same meaning and will serve the same purpose, as do Regulations 22.100, 22.110 and 22.115 regarding computerized systems, layoff bets and the rescission of wagers.

26C.100 [page 5] – A situation may occur where a licensed Nevada race book may have taken an excessive amount of nonpari-mutuel wagers on a certain horse or horses in a race. This book may wish to place compensating race wagers with a pari-mutuel race book using a wagering account. This is allowed; however, the licensed Nevada race book placing the layoff bet is to disclose its identity to the Nevada race book accepting the pari-mutuel wager.

26C.120 [page 6] - Regulation 22.120 sets forth what wagers may not be accepted for “other” race and sports books. Similarly, this proposal will set forth what wagers may not be accepted through a pari-mutuel race wagering account. Naturally, only pari-mutuel horse race wagers may be accepted through a pari-mutuel wagering account.

26C.130 (1) through (3) [page 6] - These subsections have the same meaning and will serve the same purpose, as does Regulation 22.125(1) regarding pari-mutuel rebates. Note that the provisions of paragraphs 2 through 4 of Regulation 22.125 discuss matters related to non-pari-mutuel wagers and need not be included in Regulation 26C.

26C.140 (1) through (4) [page 6] - These subsections have the same meaning and will serve the same purpose, as does subsections one through four of Regulation 22.130 regarding communications technology.

26C.140 (5) [page 6] - This subsection indicates a call center system requires associated equipment approval pursuant to Regulation 14.260. A call center system is a form of communications technology yet Regulation 26C.140 (1) through (4) does not apply to this system.

26C.140 (6) [page 6] - This subsection indicates a book receiving wagering account instructions from a call center system shall comply with the requirements of Regulation 14.290 prior to the use of this system. This provides the Board with a record of books utilizing a call center system and allows for an appropriate review of the book using the system.

26C.140 (7) [page 6] - This amendment will allow patrons to establish pari-mutuel horse race wagering accounts via the Internet. The amendment would also allow patrons to make deposits and withdrawals via the Internet. This provision should not be construed as to allow the use of the Internet for placing wagers.

26C.150 [pages 6 through 7] – This section allows a licensed Nevada pari-mutuel race book to use an operator of a call center to receive transmitted pari-mutuel horse race

wagering account instructions. However, a licensed Nevada pari-mutuel race book shall not use a call center system unless the operator of the call center has been found suitable by the commission (finding of suitability). The operator of a call center system cannot accept wagers on behalf of a licensed Nevada pari-mutuel race book. It can only record and transmit wagering account instructions to the book.

This section requires the operator of a call center system to create a record of wagering account instructions received and transmitted to the book and retain these records for a period of 60 days. The operator of a call center is to perform procedures to provide reasonable assurance when accepting wagering account instructions that the patron is within the borders of their state or foreign jurisdiction of residence; or another state or jurisdiction where pari-mutuel race wagering is legal. Reasonable assurance procedures can include by inquiry of the patron. The inquiry can be as simple as asking the patron if he/she is physically located in a jurisdiction which allows pari-mutuel race wagering. The Board will have access to the call center and can require production of records. The operator of a call center system is to comply with all applicable provisions of Regulation 26C. The licensed Nevada pari-mutuel race book shall maintain responsibility for any operator of a call center, used by the book, to operate in compliance with all state and federal laws and regulations.

26C.160 [pages 7 through 9] – Pari-mutuel horserace wagering by in-person wagering at the track where the race is taking place is allowed in almost all states. Wagering on races that take place in many jurisdictions beyond the single jurisdiction where the patron and the track are located, called off-track betting, is also allowed in many states. Off-track pari-mutuel horserace account wagering that allows a patron to have a wager placed from a location remote from both the track and the off-track facility has been conducted in and among several States before and ever since the 1978 passage of the Interstate Horseracing Act (IHA), codified as 15 U.S.C. §§ 3001-3007.

THE INTERSTATE HORSERACING ACT OF 1978

Congress passed the IHA to give legitimacy to the existing practice of account wagering and to:

1. establish that States should have the primary responsibility for determining what forms of gambling may legally take place within their borders;
2. prevent interference by one State with the gambling policies of another; and
3. allow the continued cooperation among the states in the acceptance of legal interstate pari-mutuel horserace wagers.

15 U.S.C. 3001 (a)(1),(2), and (3).

Clear public policy is set forth in IHA:

It is the policy of Congress in this chapter [15 USC §§ 3001(b)] to regulate **interstate commerce** with respect to wagering on horseracing, in order to further the horseracing and legal off-track betting industries in the United States.

15 U.S.C. 3001(b) (emphasis added).

The federal government limited its approach to the regulation of interstate pari-mutuel wagering in interstate commerce with the IHA. The plain language of the IHA indicated the Congressional intention to allow states to regulate gambling within their borders by allowing the IHA to continue the historical preference of treating gambling as the peculiar local interest that it is, and allowing state legislatures, rather than Congress, to be the proper forum for most gambling issues. The IHA further provides, in pertinent part:

The Congress finds that—

(1) the State should have the primary responsibility for determining what forms of gambling may legally take place within their borders.

15 U.S.C. § 3001(a).

THE AMENDMENT OF IHA IN 2000

In the 1978 version of IHA, the definition of “interstate off-track wager” was a “legal wager placed or accepted in one State with respect to the outcome of a horserace taking place in another State.” In December 2000, the definition of “interstate off-track wager” was amended and now reads:

a legal wager placed or accepted in one State with respect to the outcome of a horserace taking place in another State **and includes pari-mutuel wagers, where lawful in each State involved, placed or transmitted by an individual in one State via telephone or other electronic media and accepted by an off-track betting system in the same or another State, as well as the combination of any pari-mutuel wagering pools;**

The amended language is bolded. The referenced definition is codified at 15 U.S.C. § 3002(3).

This section of Regulation 26C describes the procedures that must be followed to establish a pari-mutuel horse race wagering account. The procedures and types of information that must be obtained are very similar to those for sports wagering and nonpari-mutuel race wagering accounts in Regulation 22.140. Regulation 26C differs from Regulation 22, as follows:

1. Regulation 26C.160(4) allows patrons to establish wagering accounts remotely or in person. To establish a wagering account remotely, the patron must be a resident of Nevada or of a state or foreign jurisdiction in which pari-mutuel horse race wagering is legal, provided that the state or foreign jurisdiction does not otherwise restrict wagering on accounts located outside its borders.

The book is to confirm that the patron's state or foreign jurisdiction of residence is a jurisdiction in which placing pari-mutuel horse race wagers is legal and has no restrictions on placing wagers outside its borders. This confirmation is to be documented and maintained.

This Regulation 26C wagering account can be used by patrons to place only pari-mutuel horse race wagers from within the borders of a state or foreign jurisdiction in which pari-mutuel horse race wagering is legal, and that the state or foreign jurisdiction does not otherwise restrict wagering on accounts located outside its borders.

2. Regulation 26C.160(4)(a) requires the patron to provide and the book to record and maintain, through the use of an account wagering system, similar information as required under Regulation 22. When a patron does not establish an account in person, a copy of an identification credential is sufficient since in addition to obtaining this required patron information, Regulation 26C.160(4)(d) requires a book to employ an independent third party to perform identity, residence and age verification procedures for patrons that establish wagering accounts that could be used for placing wagers from outside Nevada's borders. Regulation 22, of course, does not allow the placement of wagers from outside of Nevada's borders.
3. Regulation 26C.160(5) and (6) address the establishment of temporary wagering accounts for patrons who are not residents of Nevada. These patrons can establish a temporary wagering account while within the borders of Nevada to place pari-mutuel horse race account wagers. Such accounts must be established in person. Similar to Regulation 22, wagers cannot be placed outside Nevada's borders using these temporary accounts.

Additionally, clarification is provided as to when non-Nevada residents can establish permanent accounts under certain circumstances. The non-Nevada patron can establish a permanent account and, accordingly, does not have to renew the wagering account in person under the following scenarios:

- A non-Nevada resident has established a wagering account. The patron can only place account wagers in person (through a race/sports writer, kiosk, etc.) at the licensed gaming establishment where the account was established. The patron cannot use a cell phone or any other form of communications technology to place a wager.

- A non-Nevada resident has established a wagering account. The patron can place account wagers at another licensed gaming establishment by using a kiosk or other Board-approved device (which requires communications technology approval) specifically approved for such use. For example, a kiosk at one casino may be used by the patron to obtain access to the wagering account established at another casino.
4. The information required to be obtained pursuant to this regulation can be maintained in the form of an electronic data file or as a hard-copy document.

26C.170 [pages 9 & 10] - This amendment will establish technical standards for pari-mutuel wagering account systems. The requirements are intended to ensure regulation compliance and minimize any potential patron disputes.

26C.180 [pages 10 & 11] - Regulation 26C.180 will establish rules for interstate pari-mutuel horse race wagering accounts. The established rules are to be conspicuously displayed at its licensed premises and are to be available through the account wagering system. These rules address:

1. The fact that all house rules apply to account wagering.
2. The fact that a patron has a right to receive an account statement and to bring any dispute regarding the account to the Gaming Control Board for a hearing.
3. That a patron must be made aware of the fact that all wagering communications are recorded.
4. Certain rights of the book including the book's right to refuse to establish an account for anyone and to declare the account wagering system closed for any and all wagers, etc.
5. That the book must keep certain information confidential unless that information is otherwise required to be disclosed by law.
6. The fact that the book must disclose its policy with regard to the acceptance of the different forms of deposits.
7. The book's policy with regard to the use of a wagering account while the patron is on the premises of the book. Some books may want to allow a patron to place a wager with a book's writer through a patron's account rather than requiring the patron to place a cash wager.
8. Disclose the book's policy that pari-mutuel race wagers are accepted from patrons only when located within a state or foreign jurisdiction in which the patron resides or in a jurisdiction in which pari-mutuel horse race wagering is legal, and that the state or foreign jurisdiction does not otherwise restrict wagering on accounts located outside its borders.

26C.190 [page 11] - This amendment discusses wagering account deposits, credits, debits and certain aspects of wagering account withdrawals and are generally self-explanatory. Regulation 26C.190(4) will require that wagering account withdrawals are completed within five business days

As proposed, wagering account deposits may be made in a variety of different ways including the use of a credit card. Placing wagers with a credit card is prohibited by NRS 463.3557 which states, "...an electronic transfer of money from a financial institution directly to a game or gaming device may not be made with a credit card." It is the Board's position that a credit card deposit to a wagering account is just that, a deposit. It is only after the deposit is made that a wager is made. Therefore, this draft regulation allows for credit card deposits.

26C.200 through 26C.220 [pages 11 & 12] - These sections have the same meaning as sections .180, .190 and .200 of Regulation 22 regarding gross revenue, assigned agents and records, respectively.